

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF GARY AND BARBARA) APPEAL NO. 06-A-2530
HORDEMANN from the decision of the Board of) FINAL DECISION
Equalization of Kootenai County for tax year 2006.) AND ORDER

RESIDENTIAL PROPERTY APPEAL

THIS MATTER came on for hearing December 12, 2006, in Coeur d'Alene, Idaho, before Hearing Officer Steven Wallace. Board Members Lyle R. Cobbs and David E. Kinghorn participated in this decision. Appellant Barbara Hordemann appeared at hearing. Assessor Mike McDowell, Chief Deputy Assessor Richard House and Appraiser Steven Hagler appeared for Respondent Kootenai County. This appeal is taken from a decision of the Kootenai County Board of Equalization (BOE) denying the protest of the valuation for taxing purposes of property described as Parcel No. 04800000010A.

The issue on appeal is the market value of a residential property.

The decision of the Kootenai County Board of Equalization is affirmed.

FINDINGS OF FACT

The assessed land value is \$657,030, and the improvements' valuation is \$61,412, totaling \$718,442. Appellant requests the land value be reduced to \$538,588, and the improvements' value remain at \$61,412, totaling \$600,000.

The subject is a waterfront property with a single family residence. It is located on the south side of Windy Bay on the west side of Lake Coeur d'Alene approximately five miles north of Worley Idaho.

Respondent described the dwellings in subject area were cabin type structures which ranged in size from 700 to 1,000 square feet, built in the 1960's and 1970's. Most of the property in this neighborhood is steep with little flat land near the lake.

Appellant testified subject assessment is excessive and should be reduced to the price it could be sold for. According to Appellant's realtor subject property would sell in the \$600,000 range.

Respondent questioned how the realtor arrived at the \$600,000 figure and whether Appellant had any documentation. Appellant replied the realtor is one of the top selling real estate agents in the industry, owns property on the lake, knows the value of land and is familiar with subject. Appellant believed the realtor is up to speed with the current situation and did not require written proof of the estimate.

Appellant explained the dirt access road is not maintained year round, therefore, the property is not accessible year round. Appellant presented several maps which detail the seasonal roads, steepness and location of subject.

Appellant claimed subject 110.7 feet of waterfrontage is curved and steep. The curve lessens the distance between the neighboring cabin and the steepness limits the use of the property. Subject has only about 54 feet of flat useable land.

Appellant utilized listings to support the claim for adjustment, because the asking prices are far below the assessed valuation of subject. Appellant believed an asking price is a good indication of value.

Ms. Hordemann noted three property listings. One was located on Cottonwood Road with 100 feet of water frontage for \$455,000. A Castle Bay vacant land listing for 232 feet of frontage was listed for \$799,500. A third listing at Powderhorn Bay was 100 feet of waterfrontage for an asking price of \$540,000. This property is located on the east side of the Lake. The last property was an assessment for 100 feet of frontage located in West

Shoreline Tracts, in Worley Idaho. Appellant noted this property was only assessed for \$94,605.

Respondent commented Appellants listing properties were all vacant land and one did not have road access. The assessment presented by Appellant was for an unbuildable lot which greatly diminishes the value of property.

The County described the subject property and submitted photographs. The last full revaluation for subject area took place in 2002 for the 2003 assessment roll. During the revaluation, on-site inspections were conducted to note any changes to the property and to update information contained in the property records. Characteristics of both the improvements and land were noted, including view, contour, beach quality, water depth, exposure, landscaping, type of septic and water system and water access.

Front foot rates were derived from sales at the time of the revaluation in 2002. The base improved front foot rate was established at \$1,600 at that time. Improved front foot values were higher than vacant front foot values. The difference was approximately 30%.

Market adjustments were then applied to the base value in 2004, 2005 and 2006, to arrive at the current assessed value. The adjustments were based on sales and a comparison of assessed value to sale price. Assessments were then indexed to maintain market value on property each year, as required by Idaho Code.

CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the

parties in support of their respective positions, hereby enters the following.

Appellant presented information about subject and an opinion of the saleable value. Several listings were offered to provide subject was assessed at a much higher rate than the asking prices.

Respondent explained the history of the subject assessed values and pointed out the listings presented by Appellant were vacant land listings, with the exception of one parcel which was unbuildable. The County further explained that land included in improved property sales is worth more than comparable vacant land sites. This opinion was based on an analysis of sales of both improved and unimproved property.

Idaho is a market value state for property tax purposes. Market value for assessment purposes is defined in Idaho Code § 63-201(10):

"Market value" means the amount of United States dollars or equivalent for which, in all probability, a property would exchange hands between a willing seller, under no compulsion to sell, and an informed, capable buyer, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full cash payment.

Appellant offered a lower value claim based on a realtor opinion of probable selling price. The realtor opinion was not supported by an explanation of the analysis and data considered. Sales of improved lakefront properties would have provided the Board more substantiative information to consider.

The decision of the County BOE enjoys a presumption of correctness. No error in the assessed value of subject has been demonstrated by Appellant. The subject value increased significantly, however the increase was based on recent market sales. The assessment was not arbitrary or capricious.

Therefore, we will affirm the decision of the Kootenai County Board of Equalization.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Kootenai County Board of Equalization concerning the subject parcel be, and the same hereby is, affirmed.

DATED this 1st day of May, 2007.